

Creative industries as a cultural resource : how cities can prepare the ground for future leisure offers and demands. Towards a theoretical framework for futurizing the leisure sector. Authors: Carsten Claus¹ & Ulrich Meyer-Höllings²

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Introduction

This paper aims to deal with the question under which circumstances creative industries can source relevant products for the leisure sector that also help to shape the future profile of a city. This also implies questions about how to gain insights to future relevant issues. Cultural industries in this context represent a cultural resource. Their role for the future profile of the city and implications for the leisure sectors (and also other sectors) are addressed. Accordingly a framework of how to assess possibilities and needs of place improvement in order to lure creative capital that subsequently creates leisure relevant innovations will be developed. To establish an analytical base for further investigation, we generally look at examples of urban transformation in European cities (with a main focus on London, Zurich, Copenhagen and Hamburg) as a result of interventions by the creative class. In this paper we focus on a single case, namely the “Hotel Fox” in Copenhagen.

Creative Industries, leisure and tourism

As cities have become “entertainment machines”, a notion that stresses the shift “to include not just production and growth but also consumption and entertainment” (Clark, 2004: 8), the presence or absence of creative industries may seem to be a vital sign of the future fitness of a place, both as a living and leisure area. The term “creative industries” may be ascribed to all fields of creative production such as advertising, music, fashion but many also sync it with the notion of culture or the production of cultural products (Pratt, 2002), thus it is „surrounded by many difficulties of definition" and a "clearly contested, difficult one" due to the various meanings ascribed to each term (Hesmondhalgh, 2003: 11). Hesmondhalgh distinguishes between as what he calls "core cultural industries" and "peripheral" ones. Under the former advertising & marketing, broadcasting, film industries, internet industries, music industries,

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print and electronic publishing as well as video and computer games can be gathered whereas "borderline cases" account for sport industries, consumer electronics/cultural industries hardware, software and fashion (Hesmondhalgh, 2003). The term culture alone is contentious e.g. in the sense that it is subdivided into high and low or popular culture or, as Hesmondhalgh puts it "equated culture in its ideal state with art with special, exceptional forms of human creativity" or as an utopian critique and vision of a better life (Hesmondhalgh, 2003: 13). Authors such as Pratt doubt that this distinction is of much value giving a touristic example: *"Finally, we also have the high-low culture divide in the sense that a visit to Barcelona to see the 'sights' may be termed 'cultural tourism', but not a visit to Ibiza to go clubbing. This last point highlights the potential weakness of the concept of cultural tourism: potentially all tourism is cultural"* (Pratt, 2002: 5). Pratt as well as Hesmondhalgh also see the leisure industries as featuring mainly sport and tourism alongside the cultural industries. In a refined model of the creative industries, heritage & tourism services play an important role (National Endowment for Science Technology and the Arts, 2006: 55). However for example, in cities the leisure demand not only stems from "traditional" cultural resources in terms of nature and heritage on which the unique selling proposition of places is often built upon, but also from the demand for creative experiences: *"Creative experience providers sell the right for consumers to experience or witness specific activities, performances or locations sourced by creative originals, contents and services"* (National Endowment for Science Technology and the Arts, 2006: 54).

Creative class and creative experiences

This increase in demand of creative experiences is linked to the changing consumption patterns related to the „rise of the creative class“. This notion was established by Florida and is subject to both acclamation as well as critique mainly from the political, urban planning and scientific domain. The creative class is the new upper middle class of the knowledge resp. creative economy. Florida sections the creative class in a super-creative core' such as artists and designers as well as the 'creative professionals' such as engineers, lawyers, consultants. With about 30% in the USA and about 25% in Europe members of the creative class have bigger salaries than average as well as a unique life and leisure style that follows specific patterns of consumption (Marcus, 2005: 12f.).

In recent years especially cities have adopted brand strategy approaches in order to achieve a relevant position on the mental maps of their target groups (Kotler et al., 1999; Bennett and Savani, 2003; Evans, 2003; Kavaratzis, 2004; Csaba, 2005) and especially big cities aim to be

attractive for the creative class. In this context more and more cities adopt the notion of the creative or even the intelligent city (PriceWaterhouseCoopers, 2005). Strategizing for the future is considered a necessary prerequisite for a sustainable orientation and early identification of promising opportunities also for the leisure sector. Aiming e.g. at residents as well as tourists (Anholt, 2005), both are leisure consumers and the development of cities as living and leisure places is a key aspect in the ongoing creative class discussion (Florida, 2002; Florida and Tinagli, 2004; Florida, 2005; Marcus, 2005).

However, as Pratt states it is important not just to look at the consumption side but also to consider the production side since the former is driven by the latter. He thus offers a "contrary perspective (...) first of culture as production rather than ornament" and aims „to turn attention to the role of cultural production in urban regeneration“ (2006: 3). Following this line of argument we will have a closer look at the "creative core", those members of the creative class directly involved in creating meaningful experiences.

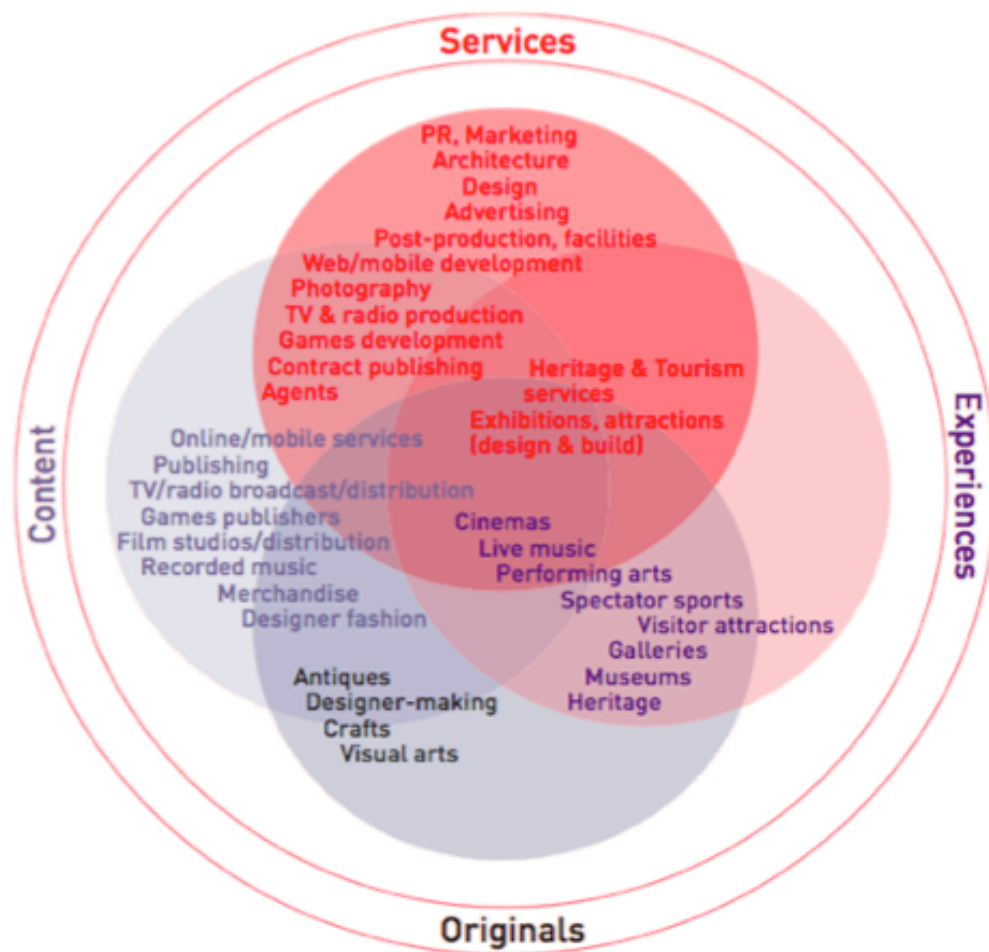


Figure 1: Classification of the Creative Industries according to NESTA (Source: National Endowment for Science Technology and the Arts. (2006). *How the UK can develop world class creative business*. London: NESTA, p. 55).

As Figure 1 shows those provide not only the workforce but even more importantly the entrepreneurial resource for creative industries, hence they are to a large extent creative experience providers. Heritage & tourism services source various creative outputs to leisure consumers who aim for cultural and leisure innovations at increasing pace. To some extent creative people such as designers are also consumers who receive inspirations as they strive for inspiration, often generating ideas of some crude nature and then entering the production phase when starting to rearrange, modify and mix them. McCracken (2006) gives an example from the fashion sector: *“In the beginning is the designer. Designers are famous for casting the net as wide as possible. They are alive to innovations taking place everywhere across the marketplace and in popular culture. As they go to the movies, read magazines, and watch the world go by, designers soak things up.”* As things become more concrete, e.g. in terms of a project to be realized, the designers begins to conceptualize whereas those sketches only show a fraction of what has being soaked up. Further selection processes as well as by the artist and others in the value chain of creative products and experiences follow suit until it e.g. hits the mainstream. This coincides with the idea that innovation and growth is nowadays less a matter of technology and capital itself but that those who seek to innovate have to be closely linked to the daily world we all live and travel in, thus being embedded in culture. McCracken’s “flock & flow” model assumes that individuals are not that alone and rather gather in flocks (from subcultures to masses) that pass over certain innovations to another flock. Here a product or service streams along a funnel from e.g. being elite and access-restricted until further down to where it becomes available for everyone but is not attractive for the early users any more. As in the case of in-restaurants, they are first known to a very small and limited crowd until this knowledge streams through certain stages until every tourist finds it in his Lonely Planet: “New projects succeed when they attract a relatively small, but precious segment of consumers.” (McCracken, 2006: 32) These examples shall illustrate that experiences provided by e.g. fashion designers or restaurants, hence the creative industries, are dynamic. To source relevant new experiences both is thus needed: in-depth understanding as well as the ability to track and to anticipate certain movements in order to be able to source the right relevant leisure innovations.

Innovation and meaning

As in any other industry, we are seeing businesses in the leisure sector having difficulty in maintaining their competitive edge within a climate of commoditisation. Being able to stand

out in a sea of sameness seems to be an important success factor in any market environment. But when dealing with intangibles such as touristic experiences one often has to go one step further from mere differentiation towards achieving relevance and ultimately resonance within target audiences. Being able to situate your product or service within the increasingly complex lifeworlds of consumers becomes a decisive success factor in the very sophisticated leisure markets of the future. In our view this also mandates a shift in mindsets from 'standing out' to 'fitting in' and thus ultimately also drives a very different type of new product development.

Brooks (2000) stresses the idea of consumption in shops marketing personal identity giving e.g. organic foodstores, gourmet coffee houses and others to match their personal identity, that is in some way similar to the notion of meanings people are looking for and the question that producers then need to address is: "Which segment most cares about the meaning we manufacture and how do we deliver it?" (McCracken, 2005: 182).

When talking about amenities one can distinguish between natural (such as clean air and water) or constructed ones as well as between public (everyone can use them) and semi-private ones (such as restaurants and museums where people can be charged or excluded) (Clark, 2004: 104). According to Florida "smaller" amenities such as cafés in sum have an impact on street life that is bigger than "big tickets" like museums (given Guggenheim in Bilbao as an example). Following this line of argument and taking Pratt's notion of focusing on both production and consumption, it comes to mind that a "grassroots approach" needs to be integrated into a foreseeing strategy. A future-oriented business needs both, a clear understanding of history and present time which is based on identity and also needs to be steered by a clear understanding of "what is relevant next and even farther?". Foresight, with its diverse method set such as storytelling and scenario planning, might support future understanding, knowledge and point towards future relevance, but it lacks capabilities to track faster movements in dynamic environments however.

In this context the creative actors are often the early signs of place regeneration ("shock troops"). Leisure opportunities (coffee shops, music clubs, amateur theatres, independent culture institutions) grow as a result. They are often also trying to spread out to other places using networks as social resources. Even if such results are not always the outcome of strategic masterplan it is here argued that an ability to embrace dynamics might prove helpful. In focusing on how innovation can be understood as a cultural practice, we want to look at the construction of meaning within a circular model of cultural production.

In a deliberate effort to bring down the still alarmingly high failure rates of new offerings, many companies are starting to experiment with a more open or collaborative type of innovation management (Chesbrough, 2003; Reichwald et al., 2006). What has transpired from these first experiments is that we possibly need to rethink our approach to market research in order to gain deeper insights into consumer behaviour. As we know from the pertinent literature on technology development, it is very difficult to break up path dependencies in any industry and this certainly also holds true for the methods employed by the leisure sector to integrate customers in strategic planning exercises.

As a possible interim solution towards achieving better buy-in from potential clients, we suggest that collaboration with the Creative Industries can help to sensitise any organisation to be more responsive and thus in-tune with their respective market environment. We also aim to show that by aligning yourself with the Creative Industries you can start developing intuitive pattern recognition skills that can form the basis for more successful innovations. By creating novel amenities and experiences, these creative encounters can ultimately help to transform the touristic infrastructure in a given place and provide for an enhanced travel experience (Jarvis et al., 2001). As there are still very few players in the leisure industries that have adopted similar approaches, we want to encourage by way of a concrete example. In our case study of the Hotel Fox in Copenhagen we will suggest that there is a lot of room for collaborative open innovation networks (Gloor, 2006) within the leisure sector and that if managed sensibly they can produce results beyond expectations.

Introducing the ‘circuit of culture’.

Before we can start to examine the case study more closely, it makes sense to frame the discussions within a theoretical context that is conducive to our investigation. Given the nature of both the Leisure and Creative Industries, we have found it useful to draw on models used by Cultural Studies researchers as they aim to capture intangible value creation processes in an Experience Economy (Pine and Gilmore, 1999) We will try to show how the leisure sector can make use of this line of thinking in order to facilitate breakthrough product and service innovations which in turn drive sustainable urban transformation. It is thus proposed here that culture could indeed be a ‘missing link’ needed in order to connect the worlds of touristic ‘*production*’ with the ‘*consumption*’ perspective on a deeper level of analysis. Thus we are able to examine the various flows between different stages of the innovation process and also between the organisation and its environments that shape the trajectories of new product development. As we will see in our case study it is indeed this “fit” or interplay

between internal and external cultural contexts that requires a certain adaptive instability on the part of the organisation. By introducing (DuGay, 1997) „circuit of culture“ (see next page) we want to suggest a change in perspective from a ‘culture of production’ to the ‘production of culture’ (Pratt, 2004).

In focusing now on how innovation can be understood as a cultural practice, we want to look at the construction of meaning within a circular model of cultural production (see illustration). In this non-linear view of the innovation process, new products are analysed as cultural artefacts in order to capture their wider significance above merely satisfying consumptive needs. For new offerings to become integrated into contemporary lifestyles, a number of signifying practices need to be associated around them. By studying the biographies of new products, the various sense-making processes that govern their adoption can be identified more adequately and their cultural meaning assessed in more detail. In this view innovation is governed by five interrelated processes or stages, namely production, identity, representation, regulation and consumption. Even though the circuit of culture is an explicitly non-linear model, for matters of argumentation and in contrasting the traditional perspective, we shall take our point of departure to be the stage of production.

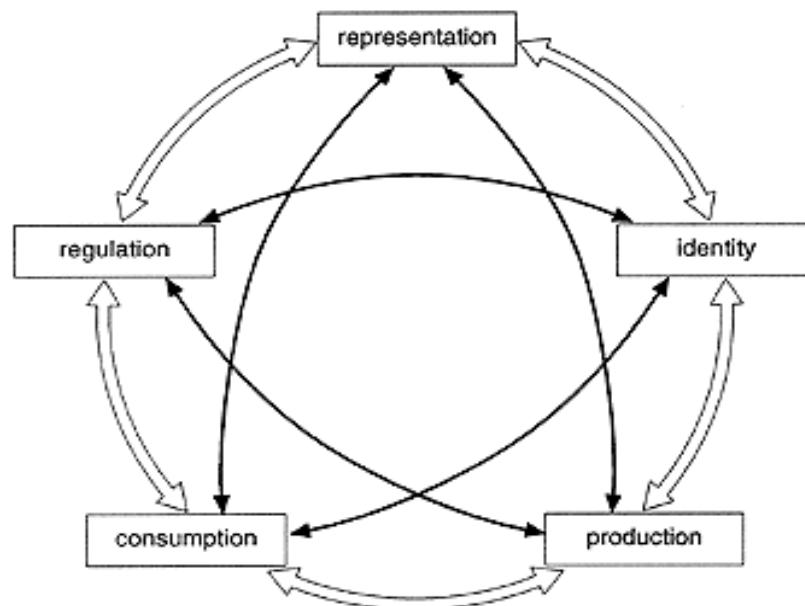


Figure 2: The circuit of culture

Given our focus on the Creative Industries with regards to Leisure Innovation, we will examine the roles of Event Management and Design more closely. The importance of designers as so-called cultural intermediaries is also emphasized by du Gay et.al.: “in their symbolic work of making products ‘meaningful’, designers are a key link in our cultural

circuit; for, amongst many other things, they articulate production and the world of the engineers with the market and consumers.” (p. 62) By supplying a certain “look and feel” for new products, they serve to infuse the ... circuitry with cultural meaning. The centrality of the consumer within the cultural circuit is emphasized by du Gay et.al.: „With market-dependant consumption playing an enhanced role in the formation of consumer subjectivity and identity, the reproduction of the market requires the continual creation of new ways for the customer to be.” (ibd., S. 71) In a process they also call `life-styling` the role of product aesthetics as a form of cultural encoding should not be underestimated. “Indeed, the perpetual attempt to achieve that magic ‘fit’ between production and consumption is often represented as the ‘holy grail’ of the designer.” (ibd., S. 62) This in turn also necessitates a different organisational skills set: „If organizational success is premised upon the production of meaning for both consumers and producers, this suggests an increased significance for symbolic expertise.” (ibd., S. 72) As we will show this expertise can be found at the intersections of culture and economy and often resides with knowledge brokers or curators within the Creative Industries that play a central translative or transformative role in the process. In our Case this role was played by an Event Management company in Hamburg called Eventlabs that was able to convince a large industrial corporation like Volkswagen and a smaller tourist organisation such as the Park Hotel to engage in a very experimental collaboration with the Creative Industries.

Creative Encounters in the Leisure Industry – Project Fox in Copenhagen³

When applying our theoretical framework, we can see the following processes of meaning making and management that have shaped the creation of very unique leisure offering and various other urban amenities.

a) production:

The basic idea behind Project Fox was that Volkswagen didn’t want to organise yet another launch event only geared towards trade journalists but rather try to introduce their new product within the lifeworlds of what was to be called young urban travelers. In taking up this metaphor around urban mobility, the winning event design by eventlabs in Hamburg extended the notion of car travel into tourism and suggested a more long-term transformation of urban space by staging a variety of experiences. At the centre of these activities was to be a new

³ We are heavily indebted to Cedric Ebener from eventlabs in Hamburg for spending precious Interview time with us.

type of culturally creative hotel experience exclusively designed by young artists, very often from the streets in keeping with the metaphor, as well as a temporary club and academy. The initial challenge was to find a location that allowed for the right backdrop to support these initiatives. This meant having an urban, metropolitan character, not being too big and having enough local creative substance in order to be credible. The shortlist for scouting included Berlin, London and Helsinki but after some probing it was decided to use the city of Copenhagen who also offered support from their tourism authority “wonderful copenhagen”. It proved to be an even bigger challenge to find a local hotelier to host the project as the terms were quite demanding from an economic perspective: leave your hotel empty for many months, pay for all the basic renovations and allow street artists to decorate all the rooms with an uncertain outcome. Only the Brochner family was daring enough to enter into this agreement with the organisers and offered their recently acquired Park Hotel premises for the project. The team also had temporary use of two other facilities in Copenhagen in which to house their clubbing and academy activities.

b) identity: Acting as the knowledge brokers or curators throughout this project, eventlabs then set up a temporary organisation in Copenhagen with the support of local event specialists Agenda Group. This entity was to ensure local buy-in, professional delivery and overall coordination of all the creative actors involved. In order to fulfil the tasks ahead it needed to have a high degree of diversity, flexibility and credibility in order to accommodate the often quite intuitive working style of the Creative Industries but also be professional enough to manage stakeholder (e.g. Volkswagen, Park Hotel, City of Copenhagen) expectations. Due to its highly networked and virtual nature, this open innovation network has sparked countless further collaborations between a wide variety of actors, so that both the spirit and identity of Project Fox can be seen to have survived to date. With regards to the more tangible results, it is also envisaged that Hotel Fox will continue to exist beyond the stipulated 5 year period; hopefully without raising the prices too much.

c) representation: After the first few weeks of identity formation within the core team, the vision started to take shape more tangibly which raised the visibility throughout the city and allowed Copenhagen's population to interact with Project Fox for the first time e.g. when giving away the old furniture to needy students or plastering the town with the Fox Logo. The buzz that was created through these activities and the influx of young artists from all over the world raised public expectations but also ensured local ownership so that Project Fox was not

seen as something from outer space that would disappear once finished. It should be noted again that notwithstanding the open-ended, experimental character of the project, it was still necessary to establish a more stable core of interface-managers that could represent the underlying vision and build stakeholder trust.

d) regulation: A high level of trust probably best describes the interaction with the usual regulatory environment; most notably in this case Volkswagen, Park Hotel and the City of Copenhagen. As such the initial presentation to Volkswagen didn't include any specific designs, sketches or project ideas but only addressed the process of collaboration between the Creative Industries involved. Next to providing the overall framework for creative expression, eventlabs would merely initiate ad hoc stimuli by triggering or prompting ideas and help with the selection of competent participants. It should be noted also that this project wouldn't have made it past the early stages without CEO and senior management support. The amount of freedom and leeway given to the Creative Industries throughout this project is certainly one of the most amazing features of this Collaborative Open Innovation Network. It almost seems as if the spirit of cooperation became contagious at some point and even public policy makers very often turned a twinkling eye on Project Fox. Quite often the regulatory interventions were of a very informal nature and did not harm the atmosphere of mutual respect. The organisers also took great care not to neglect cultural, training and development or critical aspects in their work and thus pro-actively sought to balance these various interests as best they could through the infrastructure that was available like the academy, cook and hotel staff training school or the open art and clubbing space.

e) consumption: what quite possibly clinched it for the organisers of Project Fox and very much took care of all the initial scepticism, was the public reaction to their experience. The most astounding and tangible measurement of success can be seen in the over 1 billion mentions of Project Fox in the press; even more than 2 years after completion eventlabs still receives in excess of 5 press requests per week and has maintained the project website due to the high levels of traffic. Most of the creative parties involved (e.g. artists, designers, cooks, musicians) have gone on record as saying that their involvement with Project Fox was a highlight of their career and has changed their outlook on collaboration with industry. But not only the Creative Industries were satisfied with both the relevance and resonance. By being open to this often chaotic cooperation, Volkswagen was able to record the most popular

launch event in the companies history and the Brochner family received one of the most unique facilities on the Hotel industry that still remains popular to date.

Conclusion

Finally both the citizens and visitors alike also enjoyed the additional attractions in wonderful Copenhagen so that the whole leisure industries have greatly benefited. The project fox has been a leisure relevant stimulus for Copenhagen aiming at residents as well as visitors. By understanding both, the interrelations highlighted with the circuit of culture model as well as tracking the flocks and flows it can enhance the knowledge available which is relevant to derive relevant leisure products. We demonstrated how the 'circuit of culture' model can serve to analyse the main dimensions in luring cultural as well as financial capital to source a relevant leisure product. The role of the creative industries has been examined and what is necessary to source future relevant leisure innovations.

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